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U.S. Farm Exports Strengthen the Dollar

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

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This week's cover:

Sacks of flour are swung from a barge to an oceangoing ship at the port of New Orleans. Farm exports such as flour strengthen the U.S. dollar by contributing significantly to the balance of payments. For a full report see article beginning this page.

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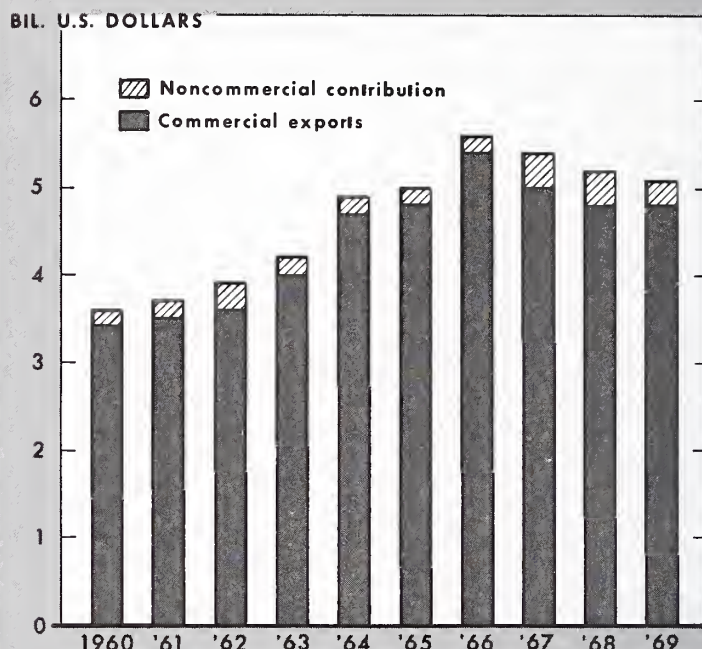
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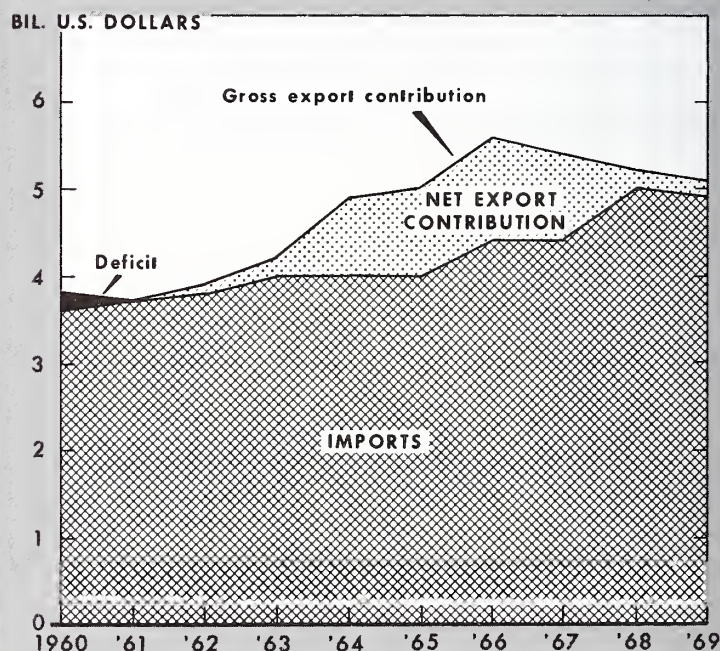
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By O. HALBERT GOOLSBY
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U.S. AGRICULTURE'S GROSS CONTRIBUTION TO THE BALANCE OF PAYMENTS



U.S. AGRICULTURE'S NET CONTRIBUTION TO THE BALANCE OF PAYMENTS



Strengthens Dollar During 1960's

The decade of the 1960's was rough sledding for the international monetary system and the backbone of this system — the U.S. dollar. The last 3 years were particularly tough but the system survived. While there are still some problems to be resolved, many of the hurdles of the last decade have been cleared. This was due in large part to a spirit of cooperation among the leading financial nations of the free world. However, it was also due in considerable part to the strength of the dollar, which in the final analysis was enough to overcome the lack of confidence exhibited by some during the last 10 years.

This dollar strength was aided significantly by agriculture's contribution to the U.S. balance of payments. Farm exports contribute to the balance of payments in two ways. First, agricultural commodities exported on a commercial basis earn dollars directly and almost immediately.¹ Second, some noncommercial exports reduced, quite directly, the outflow of dollars or increased, eventually, the inflow of dollars. Most noncommercial exports do not make a direct contribution but neither do they cause a dollar outflow.

\$44 billion from commercial exports

Considering first commercial exports, agricultural commodities contributed on a gross basis \$44.6 billion during the decade. This was nearly 19 percent of all commodities (farm and nonfarm) exported on a commercial basis. Commercial agricultural exports were no less than \$3 billion in any year and reached a peak of \$5 billion in 1966. These exports dropped about 8 percent from this level in 1967 and dropped further by small amounts in 1968 and 1969. Nevertheless, the trend for the decade was upward at \$103 million a year, or roughly 2.3 percent annually. All of the growth in agricultural exports has resulted from larger commercial exports—noncommercial exports on a trend basis declined slightly during the 1960's. Consequently, commercial exports of farm commodities as a portion of all farm exports increased. In 1960-62 commercial exports were 71.4 percent of the total. In 1967-69 they were a little over 80 percent.

Noncommercial exports contributed in the following three ways.

Under Public Law 480 (P.L. 480) and the Foreign Assistance Acts (AID), the U.S. Government often received foreign currencies as payment for food exported under these programs. The American embassies, the Department of Defense and other U.S. agencies very often had a need for these currencies. If the foreign currencies were not made available by these programs, the United States would have purchased them with dollars and there would have been, thereby, an outflow of dollars. Simply defined it is the net outflow of dollars which measures a deficit in U.S. balance of payments.

In addition to being paid in foreign currency, the U.S. Government can extend long-term dollar credit under the P.L. 480 program. Some agricultural exports are also financed by the Export-Import Bank on a noncommercial basis, although on shorter terms. When interest is paid on credits extended

under these two programs and when there is repayment of principal, the United States balance of payments' position is improved.

Furthermore, the U.S. Government sometimes lends local currencies that it has received as payment under various government export programs. Although the loan is made in local currency, the payment of interest and repayment of principal by the borrower is sometimes made in dollars.

Under all three of these procedures, agriculture contributed in total over \$2.5 billion during the decade. Some of the contribution made was from farm commodities exported during the 1950's. However, some of the noncommercial exports during the 1960's will result in balance of payments benefits for years to come.

The overall gross contribution then was over \$47.1 billion. When agricultural imports of \$42.7 billion (all of which were commercial) are subtracted from this, the net contribution during the 1960's from agricultural trade was nearly \$4.5 billion. The net contribution reached a peak of nearly \$1.2 billion in 1966. The low point was in 1960 when there was a negative contribution of \$265 million. The trend for the decade was upward at \$42 million a year.

It should be noted, too, that many of the imports are commodities such as coffee, cocoa, tea, natural rubber, and hemp, which are not grown in temperate climates. If these noncompetitive imports are excluded, agriculture's net contribution to the trade balance during the 1960's rises from approximately \$4.5 billion to nearly \$23 billion.

Monetary problems of the 60's

What were the difficulties that the international monetary system and the U.S. dollar faced during the 1960's that made it so necessary for the U.S. Government to institute restrictions on capital flow and to gather all the support for the dollar that it could from agricultural and other exports?

First of all, there was a steady but substantial flow of gold from the United States to foreign nations, mostly European, during 1960-67. This was the consequence, in some part, of a decline in confidence in the dollar. This decline occurred partly as a result of the balance of payments deficit that was recorded for the United States. However, it was the opinion of some experts, and still is, that the method used to measure the U.S. balance of payments was not entirely satisfactory and the lack of confidence in the dollar based only on this measure was unjustified.

An official study of the problem was made and in 1966 the Department of Commerce started reporting two measures of the balance of payments. First, the liquidity measure was used. This had already been used for a number of years. It records the change in dollars or other short-term liabilities on the United States held by all foreigners. Second, the official reserve transaction measure was introduced. This records the change in dollars or other short-term liabilities on the United States held only by foreign central banks. (Both measures include the change in our stock of gold and foreign exchange.) Neither of these measures is satisfactory without an analysis of why they change as they do. There are at least three other measures that could be used and it is doubtful that any single measure can be developed which is altogether satisfactory.

¹ Commercial exports are defined here as those made without grants or concessional loans by the U.S. Government to the importer or the importing nation.

AGRICULTURE'S CONTRIBUTION TO THE U.S. BALANCE OF PAYMENTS, 1960-69

Item	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>	<i>Mil.</i>
	<i>U.S. dol.</i>	<i>U.S. dol.</i>	<i>U.S. dol.</i>	<i>U.S. dol.</i>	<i>U.S. dol.</i>	<i>U.S. dol.</i>	<i>U.S. dol.</i>	<i>U.S. dol.</i>	<i>U.S. dol.</i>	<i>U.S. dol.</i>
Commercial agricultural exports	3,458	3,569	3,614	4,046	4,720	4,869	5,476	5,057	4,981	4,829
Contribution to balance of payments by non-commercial agricultural exports	171	201	288	198	240	225	184	347	314	360
P. L. 480:										
Foreign currencies used by U.S. agencies (Title I)	118	148	156	160	223	183	132	225	185	214
Interest and principal repayment on dollar credit sales (Title I)	(¹)	(¹)	(¹)	2	5	27	39	60	43	70
Interest and principal repayment in dollars of loans made in foreign currencies (Title I)	4	7	101	27	12	13	13	15	18	12
Total	122	155	257	189	240	223	184	300	246	296
Mutual Security (AID) foreign currencies used by U.S. agencies	16	15	2	1	(¹)	2	(¹)	(¹)	(¹)	(¹)
Export-Import Bank principal and interest dollar repayments	33	31	29	8	(¹)	(¹)	(¹)	47	68	64
Gross contribution	3,629	3,770	3,902	4,244	4,960	5,094	5,660	5,404	5,295	5,189
Agricultural imports	-3,894	-3,756	-3,898	-4,044	-4,090	-4,086	-4,491	-4,452	-5,024	-4,958
Net contribution	-265	14	4	200	870	1,008	1,169	952	271	231

¹ Less than \$500,000.

Based on data from Commodity Credit Corporation, Export-Import Bank, and the Office of Business Economics, U.S. Department of Commerce.

U.S. MERCHANDISE TRADE, BALANCE-OF-PAYMENTS BASIS, 1960-69

Period and commodity group	Exports (f.o.b.)			Imports (f.o.b.)	Trade balance ²	
	Total	Noncommercial ¹	Commercial		Total	Commercial
	<i>Mil.</i> <i>U.S. dol.</i>	<i>Mil.</i> <i>U.S. dol.</i>	<i>Mil.</i> <i>U.S. dol.</i>	<i>Mil.</i> <i>U.S. dol.</i>	<i>Mil.</i> <i>U.S. dol.</i>	<i>Mil.</i> <i>U.S. dol.</i>
Total:						
1960	19,650	2,046	17,604	14,744	4,906	2,860
1961	20,107	2,396	17,711	14,519	5,588	3,192
1962	20,779	2,503	18,276	16,218	4,561	2,058
1963	22,252	2,882	19,370	17,011	5,241	2,359
1964	25,478	3,032	22,446	18,647	6,831	3,799
1965	26,447	2,952	23,495	21,496	4,951	1,999
1966	29,389	3,152	26,237	25,463	3,926	774
1967	30,681	3,523	27,158	26,821	3,860	337
1968	33,598	3,331	30,267	32,972	626	-2,705
1969	36,487	3,102	33,385	35,797	690	-2,412
Agricultural:						
1960	4,835	1,377	3,458	3,894	941	-436
1961	5,023	1,454	3,569	3,756	1,267	-187
1962	5,037	1,423	3,614	3,898	1,139	-284
1963	5,584	1,538	4,046	4,044	1,540	2
1964	6,350	1,630	4,720	4,090	2,260	630
1965	6,229	1,360	4,869	4,086	2,143	783
1966	6,879	1,403	5,476	4,491	2,388	985
1967	6,381	1,324	5,057	4,452	1,929	605
1968	6,221	1,240	4,981	5,024	1,197	-43
1969	5,958	1,129	4,829	4,958	1,000	-129
Nonagricultural:						
1960	14,815	669	14,146	10,850	3,965	3,296
1961	15,084	942	14,142	10,763	4,321	3,379
1962	15,742	1,080	14,662	12,320	3,422	2,342
1963	16,668	1,344	15,324	12,967	3,701	2,357
1964	19,128	1,402	17,726	14,557	4,571	3,169
1965	20,218	1,592	18,626	17,410	2,808	1,216
1966	22,510	1,749	20,761	20,972	1,538	-211
1967	24,300	2,199	22,101	22,369	1,931	-268
1968	27,377	2,091	25,286	27,948	-571	-2,662
1969	30,529	1,973	28,556	30,839	-310	-2,283

¹ Exports financed by the U.S. Government with grants or credits to importing nation. ² Minus sign indicates deficit.

ERS statistics and *Survey of Current Business*, U.S. Department of Commerce.

Nevertheless, the recording of a deficit for many years had an adverse influence on the confidence in the dollar and on the U.S. gold supply. As deficits were reported, foreigners would exchange, through their central banks, dollars for gold. During the period 1960 through 1967 U.S. gold stock dropped from \$19.5 billion to \$12.1 billion, an average of \$0.9 billion per year. Any decline in the gold stock, of course, further weakened confidence in the dollar which led to further declines in the gold stock. Thus, declines to some extent fed upon themselves.

Devaluations bring fears

With this problem in the background, the international monetary system was shaken in November 1967 when the United Kingdom and 16 other independent nations (plus a number of territories and dependencies) devalued their currencies. There was the fear that a chain reaction would start in which all nations of the world would devalue their currencies repeatedly in an attempt to maintain or gain a competitive advantage for their exports. The consequence of such a reaction would be that world traders would not know the value of currencies from one day to the next. In this atmosphere world trade would have been seriously disrupted. This did not happen, of course, but confidence in the system was further weakened.

In less than 5 months after the devaluations in November 1967, there was a rush out of currencies and into gold. In the first 2 weeks of March 1968, the United States stock of gold declined approximately \$1.2 billion as the U.S. Government tried to support the price of gold in the world private market at \$35 an ounce. However, on March 17 the United States and its major financial allies abandoned this policy and instituted the "two-tier" price system. Under this system the price of gold was kept at \$35 an ounce for transactions between governments but the price in the private market was permitted to fluctuate as speculators and industrial users bargained with various suppliers of the metal.

The price of gold on the free market generally fluctuated during the following 18 months between \$39 and \$43 per ounce on the London gold market. Prices in Paris and other markets were usually higher. During these months there was always the fear that dollars would be turned in by foreigners for U.S. gold if the market price of gold became much higher than the official price. This could have caused a collapse in the confidence in the world monetary system. As a consequence, the volume of world trade would have fallen. The price was very sensitive to statements by public officials, especially officials in the United States and South Africa. The United States had the power, within certain limits, to increase the price of gold. South Africa, as the world's largest supplier of newly mined gold, had considerable power in adding gold to the market, or holding back gold from it.

Effect of French tensions

The price was also very sensitive to changes in economic or political conditions. Thus, on March 10, 1969, the price of gold reached an apex on the London market of \$43.825. There was uncertainty in foreign exchange markets over the value of the French franc. The uncertainty resulted from political tensions in France which led to the general strike on March 10. The price of gold remained high as long as tensions in France were high. Additional uncertainty was added to the scene when President De Gaulle resigned on April 28.

In subsequent months of 1969, but especially in October and November, the price of gold declined. This resulted from several factors. First, political tensions in France eased. Second, interest rates around the world were high and were increasing. Money invested in gold typically does not earn interest. Thus, the opportunity cost of holding gold was high. Furthermore, the 10 leading financial nations of the world reached an agreement on July 24, 1969, on the creation of special drawing rights (SDR's) which are sometimes called paper gold. In essence SDR's are international money issued by the International Monetary Fund (IMF) under strict rules that were agreed upon by members of the IMF. And finally, the supply of gold held by hoarders and speculators, including South Africa, was large and this placed a downward pressure on the price of gold.

By the last day of the decade the price of gold had dropped to \$35.20 on the London market. Also on that day it was announced that the IMF had agreed to purchase newly mined gold from South Africa when the free market price fell to \$35.00 an ounce or below. The value to be purchased would equal that country's current foreign exchange requirements. On the next day the IMF issued \$3.4 billion of SDR's. This ended a turbulent decade in international monetary history and provided an optimistic beginning of another.

It is, of course, stability in the world monetary system that best promotes world trade. Agriculture's contribution to this stability is indirect and only one of a number of factors contributing to stability. Nevertheless this contribution is important—for world trade in general and for a healthy export trade in farm products.

Canada Increases Barley Quotas

The Canadian Wheat Board has announced major increases in the supplementary delivery quotas for barley in Manitoba and Saskatchewan. The new quotas, effective immediately, enable barley producers in the two Provinces to deliver an additional 10 bushels per seeded acre or a minimum of 1,000 bushels, whichever is greater.

Chief commissioner of the Wheat Board, W. C. McNamara, said that the additional quotas will encourage farmers in Manitoba and Saskatchewan to deliver the large quantities of barley needed to meet export shipment from Thunder Bay and St. Lawrence ports in June and July.

No specific time limit has been placed on the new barley quota. However, Mr. McNamara said that producer deliveries will be constantly reviewed and consideration will be given to suspending the additional quota if producer marketings exceed the Board's immediate requirements.

The new barley quota is being confined to Saskatchewan and Manitoba at this time in order to speed up barley shipments. Because of the shorter hauling distance involved, it is possible to move larger quantities of barley to Thunder Bay from these Provinces in a minimum of time.

Barley quotas for Alberta will be adjusted in accordance with a continuing shipping program already underway. Large forward sales of barley have been made from both Canadian coasts and shipments will extend well into the 1970-71 crop year (Aug.-July). Thus, Alberta producers can expect to continue to receive both substantial quotas and extended delivery opportunities for barley.

—Based on dispatch from ALFRED R. PERSI
Assistant U.S. Agricultural Attaché, Ottawa

Agricultural policies adopted in 1969 in an attempt to cut surpluses include a soil bank arrangement, dairy cattle slaughter premiums, the imposition of marketing fees, and a move to reduce Finland's "butter mountain."

Finland Measures Farm Program Results

Two of Finland's major agricultural problems are disposing of its surplus farm production—primarily a result of 3 years of good crops and of reduced market opportunities in EC countries and England—and, at the same time, effecting farm programs to cut down on these surpluses in wheat, meat, butter, cheese, dried whole milk, and eggs. Last year Finland adopted a series of farm programs¹ which were designed to reduce the country's surpluses, as well as relieve other agricultural problems. These programs took effect at different times during 1969 and their effects are now becoming measurable.

In 1969, about 222,390 acres, or 3 percent of the country's total cropland, was taken out of production under a soil bank system. Earlier this year, the Finnish Parliament made changes in the program which should result in its intensification and expansion. For example, the previous limit of \$840 per farm, paid by the Finnish Government to farmers who retired land from use, has been abolished and a sliding scale of payment has been put in its place. Farms owned by townships, corporations, and other organizations are now eligible for soil bank payments but the compensation is held at a fixed rate of \$36 per hectare (\$14 per acre).

It is expected that these liberalizations of land bank regulations will take an additional 123,550 acres out of production in 1970. (The total goal is 1,235,500 acres.)

The effect on production will be less than suggested by the number of acres banked. Most of the land taken out of production has been of poor quality, and a number of the farms

held no cattle. The Finnish Government feels, however, that it will have more success in combatting surpluses by continuing these measures which cut down on the agricultural base, rather than by restrictive price policies.

This year a new slaughter premium system for dairy cows came into force. Under the program, the government makes a special payment to owners of two or more dairy cows if they sell their entire herds for slaughter and agree to discontinue milk production for at least 3 years (beginning April 30, 1970). The government pays a slaughter premium of \$120 per cow. The slaughter premium is expected to bring a reduction in Finland's dairy herd of between 20,000 and 30,000 cows.

Finland's "butter mountain"

Steps have also been continued to reduce the country's "butter mountain." Low-income segments of the population can purchase butter for the reduced price of 60 cents per pound, about one-third less than the retail price. Dairy farmers also receive a special price on their butter purchases; however, they themselves finance their own purchases of butter by receiving a reduced price for the milk they sell. The farmer's mill reduction totals 48 cents for a 100-kilogram unit (about 2 cents a pound). It is estimated that the various reduced prices on butter increased consumption in 1969 by between 13.2 million pounds and 15.4 million pounds.

In order to reduce wheat surpluses, particular emphasis has been given by the Finnish Government to promoting a shift from wheat production to that of rye and coarse grains. One action taken was to reduce the target price of wheat. This was included as part of a plan to increase gross agricultural

¹ See "Finland's 1969 Farm Policy Decisions," *Foreign Agriculture*, April 6, 1970.

Left, a typical herd of Aryshire cattle, the most common cattle breed in Finland. Although most herds of cattle are small, reduction of cattle-herd numbers is an important element of the country's farm program. On the right is a typical wilderness farm.



income by 3.2 percent under the Price Act enacted in June 1969. (The price increase will also affect beef, pork, eggs, milk, and rye; target prices for all these were raised.)

Marketing fees were also imposed to promote the shift from wheat to coarse grain production—and thus cut down on surpluses. On September 1, 1969, a marketing fee of approximately \$4.17 per metric ton was placed against wheat sales in excess of 280,000 metric tons. And in 1970, a special marketing levy system went into effect against wheat (and milk) producers other than private individuals and the central government. These companies, cooperatives, and townships must pay a wheat levy of \$6.00 per 100 kilograms (\$1.63 per bushel); milk producers pay a levy of \$4.80 for the same unit, offsetting the increase in the milk price.

Other measures also have the objective of encouraging farmers to switch from wheat to coarse grain production. Among these are contractual agreements between the state granary and farmers willing to make the changeover. The planned purpose of this measure is to reduce wheat production up to 100,000 metric tons. There are also measures to encourage greater local consumption, such as keeping the milling quota for domestic wheat as high as possible, as well as measures to promote greater wheat utilization for food and feed.

Commodity review for 1969

Wheat. Preliminary production figures for 1969 indicate that Finnish wheat production amounted to 470,800 metric tons compared with 515,500 tons in 1969 and a 740,800-ton average for the period 1964-68. Imports in 1969 totaled 20,000 metric tons, of which 5,000 tons of soft white wheat came from the United States. The state granary estimates the wheat surplus in 1969-70 at about 130,000 tons compared with 140,000 tons in 1968-69. Contracts were signed for exports of 100,000 tons of wheat in late 1969 and early 1970. With these exports, a balanced situation for wheat should have been restored.

Coarse grain. Total coarse grain output in 1969 was 2.0 million metric tons in contrast to 1968's 1.9 million tons and the 1964-68 average of 1.6 million tons. In 1969—for the first time—exports exceeded imports, but both were at a low level.

Rye. In 1969, rye production dropped by 8,100 metric tons—from 133,900 in 1968 to 125,800 last year. Net imports in 1969 were 3,000 tons; Finland does not normally raise enough rye to meet its needs.

Oilseed and oilseed cakes. Imports of oilcakes and meal are prohibited, but Finland needs to import 90,000 metric tons of oilseed annually to keep its processing mills running. Domestic rapeseed production remains static at a level of about 7,000 tons a year. No significant change in production or imports is anticipated for 1970.

Fruits and vegetables. Finland produces about 10 percent of its fruit requirements and 40 percent of its vegetable needs. The U.S. share in fruit imports is 10-15 percent; for vegetables it is about 5 percent. U.S. apples have sold well in 1969-70 partly owing to a below-average Finnish crop; competition from the Eastern European countries, France, and other areas remains strenuous.

Sugar. Crude sugar production in 1969 was about 5,000 metric tons above the previous year's output of 40,000 tons; the 1964-68 average was 50,000 tons. An additional 9,000 tons of sugar was refined in 1969 from imported beets. Consumption in 1969 is estimated at 221,000 tons. The USSR is

a leading supplier of the sugar consumed in the country; most of the rest comes from Cuba.

Meat. Output of the three major meats—beef, veal, and pork—all increased. Beef and veal output amounted to 111,400 tons in 1969 compared with 88,500 in 1968; pork production rose from 85,900 tons in 1968 to 88,800 in 1969. The beef and veal increase was due to several factors: Policy, accelerated and systematic reduction of dairy herds, and a relatively poor hay crop in 1969.

Dairy products. Production of milk, cheese, and dried milk (whole and nonfat) all increased in 1969 compared to 1968; that of butter declined. Comparative figures are as follows:

	1969 1,000 metric tons	1968 1,000 metric tons
Milk	3,495.0	3,491.0
Cheese	34.9	33.5
Dried milk (whole)	20.2	16.1
Dried milk (nonfat)	48.9	47.6
Butter	101.2	102.2

Despite the government's efforts to increase butter consumption through its program of giving reduced prices, consumption is tending to decline; there was an excess stock of about 15,000 metric tons at the end of 1969. Margarine consumption in 1969, on the other hand, rose to about 27,500 tons compared with 25,900 tons the previous year.

Cotton. Consumption of lint cotton has been receding slightly since 1966 owing to increased use of manmade fibers and blends. The 1969 consumption was about 14,600 tons; total imports were about 14,400 tons.²

Finnish imports from the United States were at a lower level in 1968 and 1969, totaling 1,690 tons in 1969. Russia is Finland's major source of raw cotton; Mexico and Brazil also sell cotton to that country. Stocks of cotton have been reduced to a relatively low level corresponding to about 4 months' consumption.

There is some evidence that future total cotton consumption might stabilize at the present level, while manmade fiber consumption will increase from the present average of about 25 percent of all fibers consumed (exclusive of wool) to 40 percent in 1975. Comparative consumption figures for 1968 and 1969 are as follows:

	1969 1,000 metric tons	1968 1,000 metric tons
Cotton	14.6	15.4
Rayon	3.3	3.5
Noncellulosic fiber	1.2	.7

Tobacco. Imports of leaf tobacco reached 7,478 metric tons in 1969, of which 2,753 tons came from the United States. The United States also supplied nearly all of the stem imported (565 tons), about 30 percent of the cigars and cigarillos, and a small fraction of the cigarette imports. Product imports, however, were small compared with overall tobacco production and exports. It is estimated that 1970 imports of U.S. leaf will be about 2,500 tons.

—Based on a dispatch from JAMES F. LANKFORD
U.S. Agricultural Attaché, Stockholm

² Cotton statistics are normally based on an August-July year. This article uses calendar year figures.

Increased internal demand and a favorable world market have greatly stimulated Brazil's soybean production during the past decade. It is now the world's third largest producer and is rapidly becoming a competitive exporter.

Brazil's Soybean Output Reaches New Records

By SHACKFORD PITCHER
U.S. Agricultural Officer, São Paulo

Soybean production in Brazil saw unprecedented growth in the 1960's with continued growth expected in the 1970's. Extensive research, improved cultivation techniques, greater use of farm machinery, and government encouragement have helped soybeans become one of the country's important export crops.

In one decade soybean production increased from the 1960 level of 7.6 million bushels to 34.9 million bushels in 1969. The 1969 crop enabled Brazil to achieve record soybean exports totaling 11.4 million bushels, valued at \$29 million. New production and export records are forecast for 1970, with current crop estimates of 51.4 million bushels, from which export availabilities of at least 18.5 million bushels are expected. Brazil's soybean meal exports also are increasing, with shipments totaling 303,100 short tons in 1969, 22 percent higher than in 1968.

Brazil in the world market

Although Brazil's annual soybean production is still only a fraction of that of the United States or Mainland China, by 1967 Brazil had surpassed the outturn of the Soviet Union and become the world's third largest soybean producer. Total soybean production in the United States in 1969 was well over 1.1 billion bushels; while Mainland China, Brazil, and the Soviet Union produced 244 million, 34.9 million, and 21.3 million bushels, respectively. Indonesia, the fifth largest producer, had a soybean crop of 16.2 million bushels in 1969.

Brazil's 1969 soybean exports of over 11 million bushels compare with over 311 million bushels exported from the United States during the same year. Major importers of soybeans from both Brazil and the United States are the European Community countries and Spain. Japan is also an important importer of American soybeans.

Favorable world market prices for soybeans during the 1960's were the major incentive for expanding Brazilian production. Although soybeans are included under the Brazilian Government's price support program, support levels have been considerably below actual world market prices and local prices, so the government has not needed to intervene by purchasing soybeans to support local prices. As a guarantee to the Brazilian farmer that prices will not fall below a given level and as a base for determining production loans from state and private banks, the support program has directly influenced farmers' actions.

Rio Grande do Sul—the soybean State

Presently almost all of Brazil's soybean production is limited to the four southern States, with Rio Grande do Sul, the southernmost State, accounting for 70 percent of the crop. The State's first experiments with soybeans were conducted in 1941, and the small farmers who have been growing soybeans for many years accounted for a large share of

the crop until the mid-1960's. These farmers, few of whom have tractors or combines, interplant soybeans with corn and occasionally still use soybeans as feed for hogs.

Today, the bulk of Rio Grande do Sul soybeans come from larger farms growing wheat as well. These two crops are grown in rotation, with the soybeans planted in November and December—often in the same field on which a crop of wheat was just harvested. The same machinery can be used for both crops.

The tremendous expansion of soybeans in Rio Grande do Sul can be attributed to the work of the State's department of agriculture and IPFS (Instituto Privado para Fomento de Soya), a private, trade-sponsored institute active in soybean development during the early 1960's. IPFS conducted field work using imported seed to select promising soybean varieties which were then multiplied and distributed to farmers. It also provided extension service by conducting field demonstration trials and by distributing brochures explaining how to cultivate soybeans. In recent years, much of the extension work has been done by agronomists of the wheat cooperatives. Rio Grande do Sul has a network of well-organized wheat cooperatives which are responsible for distributing wheat seed, are involved with the official farm credit program for wheat, and have cleaning and storage facilities for wheat which are also used for soybeans. These cooperatives now handle a good share of Rio Grande do Sul's soybean crop, as their members plant soybeans as a rotation crop with wheat.

Expansion in Paraná and São Paulo

Paraná is Brazil's second largest soybean producer, with cultivation generally limited to the western half of the State. There is still a considerable amount of forest land in Paraná to be cleared for planting. Immediately after clearing, corn and cotton are usually planted, with soybeans following a few years later when fields are completely cleared of logs and tree stumps. Several other factors also favor the growth of soybeans in Paraná. First, many of the State's major roads are now being paved, thus facilitating the movement of crops. Second, Paraná is Brazil's major source of corn for export, and recent improvements in grain handling and transportation facilities should also provide for more efficient marketing of soybeans. Paraná's soybeans average a higher oil content than those of Rio Grande do Sul, and they are keenly sought after by domestic crushers serving Brazil's large consuming centers of São Paulo and Rio de Janeiro.

São Paulo, where soybeans were first introduced into Brazil about 60 years ago by Japanese immigrant farmers, is third among Brazil's soybean-producing States. In 1925 soybean research was initiated at São Simão Experiment Station in São Paulo, based on a collection of about 50 U.S. varieties. Cultivation was on a small scale until the early 1950's, when the São Paulo Department of Agriculture (SPDA) initiated an expansion program, loaning farmers combines and purchasing most of the crop. Now almost 100-percent mechanized, São Paulo soybean farmers plant an average of 250

acres of soybeans each; although some plant as few as 60 acres and others as many as 2,200 acres.

Technical research

Much of the research work on soybeans in Brazil is being done by the Agronomic Institute at Campinas (IAC), an SPDA agency in eastern São Paulo. Most of the genetic material originates from American varieties, with Hardee currently the most promising. During 3 years of testing, yields of this variety averaged one-third higher than Pelican, the most popular variety in São Paulo. Hardee has higher oil and protein contents—21.6 percent and 41 percent respectively (moisture-free basis) compared to Pelican's 21 percent and 39 percent.

The IAC has conducted soybean research on the *cerrado* soil of brush-covered areas with very promising results. Yields of over 1 ton per acre were achieved under complete fertilizer and liming programs. Although there are no estimates of the percent of the *cerrado* adapted to soybean production, it is significant to note that one-fifth of Brazil's soils are included in the *cerrado* classification.

Soybean cultivation is expected to move northward as hardier, higher yielding varieties are selected and more is known about soil needs. Research work recently completed at the Federal University of Vicosa, in the State of Minas Gerais, has brought about the selection of two new soybean varieties, Visoja and Mineira, which currently appear very promising for cultivating in Minas Gerais as well as further north in the States of Goiás and Mato Grosso.

Production outlook favorable

Soybean oil is firmly entrenched as a major edible oil in Brazil. It is the basis for the fast-growing margarine industry and is gaining in popularity as a cooking and salad oil. In late 1969, a factory for isolating soy protein was inaugurated in Rio Grande do Sul with a yearly capacity of 1,000 metric tons of product. Soybean flours of various kinds are already produced by a number of Brazilian companies. Domestic consumption of soybean cake and meal—byproducts of the oil processing plants—is increasing. The current outlook is for even greater use by the commercial feed industry, for which more modern feed plants are being built in many cases by international firms which recently started Brazilian operations.

The Brazilian Government is encouraging expanded wheat production, as the country currently produces only about one-third of its consumption needs. This encouragement also benefits soybeans, since the two crops are linked through rotational planting and machinery requirements. Paraná, in particular, is expected to increase its share of Brazil's soybean crop, rotating soybeans with corn and in some areas with cotton. While farmers in Paraná have limited soybean planting some years due to the lack of sufficient combines for harvesting, the situation is improving through State and Federal Government efforts to extend more farm credit, distribute imported combines, and exempt farm machinery from manufacturing and sales taxes. Soybean production is also expected to extend northward during the 1970's as farmers are able to acquire seed conditioned for soil and climate in these areas.



Soybean production in Rio Grande do Sul. Left, agronomist inspects soybean crop. Right, combining soybeans. Far right, workers unload bags of soybeans from railway cars. Below, soybean oil mill and processing plant near Porto Alegre.





Ships from all nations of the world carry Hong Kong's agricultural imports and industrial exports through the colony's busy harbor.

Hong Kong As a Market for U.S. Farm Products

Hong Kong, a British Crown Colony of less than 400 square miles and more than 4 million people, emerged from the 1960's among the 25 leading traders in the world. Heavily dependent on imports—to feed its high-density population and to supply its expanding industries—and on exports, its major source of income, the colony looks to foreign trade as the lifeblood of its economy. In 1969, owing to sharply increased foreign trade as well as to rapidly expanding financial and industrial sectors, Hong Kong's economy boomed.

Prospects in 1970 are for continuing but less rapid economic growth. The political situation should remain stable; per capita income, one of the highest in Asia, will continue to climb because of labor scarcity; industry will continue trends toward higher quality products and diversification of markets; and tourism will have additional impetus from the jumbo jet, Expo '70, and an increasing number of travel-minded Asians.

Growing confidence

The year 1969, like 1968, was characterized by growing confidence in the economy's future. For the first time since local communist disturbances in 1967, the colony's foreign trade in 1969 registered major gains, and almost every other economic indicator—banking, tourism, industrial production, and per capita gross national product (GNP)—reflects the growth the economy is experiencing.

Large increase in imports and exports

The colony's booming economy is illustrated by its gains in international trade and tourism in 1969—exports were up 25 percent, imports 19 percent, re-exports 25 percent, and tourist arrivals almost 24 percent.

Hong Kong must fill most of its requirement for agricultural products through imports, for which the government's policy is liberal. The colony farms 13 percent of its land area, which produces only 10 to 15 percent of the food requirement and no raw material for the colony's expanding industries. In 1969, overall imports rose 19.4 percent to \$2.4 billion. Foreign purchases of food and live animals were up

13.5 percent, although the U.S. share dropped from 10 to 9 percent. Other agricultural imports were down because of reduced cotton purchases. Mainland China supplies from 40 percent to 50 percent of Hong Kong's agricultural imports, and the U.S. share is a distant second with about 10 percent of the market in value. Other major suppliers include Australia, New Zealand, United Kingdom, the Netherlands, Denmark, and Thailand.

Consuming only about 10 percent to 15 percent of its industrial production, Hong Kong exports the rest, which in 1969 brought in \$1.7 billion. Nearly 42 percent of 1969 exports—mainly textiles and garments, electronic components and parts, and plastic products—went to the United States, but the colony has diversified into other markets and is increasingly looking toward Europe and the Far East.

Re-exports help to buoy the colony's harbor economy, contributing substantially to revenues and employment. In 1969, re-exports were up to \$443 million. Mainland China maintains its traditional position as the leading country of origin for goods re-exported from Hong Kong, and the United States is in second place, with about 10 percent of its exports to Hong Kong re-exported. Nonmetallic mineral manufactures were among the leading U.S. items re-exported.

Tourist arrivals increased during 1969, exceeding 765,000 people. The government has estimated that tourism probably accounted for only about 5½ percent of national income in 1968 compared with 40 percent for manufacturing, but tourists represent a growing outlet for the agricultural items of highest quality.

Per capita GNP for 1969 is about \$650-700, up from an estimated \$610 in 1968. At this level, Hong Kong may have surpassed Singapore to rank behind only Japan in per capita GNP in the Far East.

U.S. sales down

Hong Kong's imports of U.S. agricultural products did not exceed \$65 million in 1969, down from \$85.4 million in 1968. Reduced purchases of U.S. cotton and rice (down by \$20.6

million and \$5.9 million respectively) and smaller purchases of U.S. wheat, soybean oil, and unstripped tobacco account for the overall reduction in purchases of U.S. agricultural products. It was a good year for fresh U.S. oranges (up \$3 million) and other fruit. Stripped tobacco, cigarettes, beef, furs, leather products, and dairy products were also up. Frozen poultry imports from the United States were down about 1 million pounds but up in value.

In 1970, Hong Kong's consumption of agricultural commodities will probably increase another 5-10 percent in value. The U.S. share could again total \$65 million, but very poor sales of U.S. cotton and an expected decline in rice imports will make it difficult to top 1969. U.S. agricultural sales, which in 1968 and 1969 were dominated by fluctuations of these two commodities, will increase in 1970 only with steady growth in purchases of other commodities.

Foremost among the trends influencing purchases of U.S. products are rising income and the subsequent diet diversification evidenced by reduced per capita rice consumption—about 206 pounds per capita in 1966 compared with 192 pounds per capita in 1968. One of the most significant indicators of potential change in Chinese food buying and consumption habits is the number of household refrigerators, imports of which in 1969 were 2½ times as great as those in 1965.

Commodities

Hong Kong's imports of *cotton* declined over 240,000 bales in 1969, largely owing to decreased U.S. availability and increased prices of 1-inch and shorter staple lengths, reduction of domestic stocks, and increasing use of manmade fibers. Brazil, Thailand, Uganda, and Sudan got larger than usual shares of the market last year. Unless supplies of the shorter

staple lengths become greater in the second half of the year, U.S. cotton sales could be down 25 percent to 50 percent in 1970.

Expanding *rice* production in Southeast Asia was largely responsible for reduced Hong Kong imports of U.S. rice, which local traders predict will be even smaller in 1970 as a result of the greater availability and lower price of the regionally produced grain. Burma, in particular, is making a comeback in the local market.

A large U.S. west coast *orange* crop and an effective local marketing organization were responsible for \$10.4 million worth of fresh oranges imported by Hong Kong in 1969 (up \$3.1 million). Imports of other U.S. fruits such as grapes, apples, and raisins, up in 1969, should continue upward in 1970. Alone among Southeast Asian countries, Hong Kong has no import duties or quotas on fruit.

Imports of live *chickens* declined 3.9 million pounds in 1969, continuing a rapid downward trend which began in 1967. Though both volume and value of fresh, chilled, and frozen chicken imports increased, the increase was not enough to offset the decline in live chickens. There was apparently little substitution of red meats for chicken because prices of all meats rose in 1969. The United States remained the primary *frozen poultry* supplier, supplying mainly parts, but Denmark and Mainland China increased their shares of the frozen market, selling frozen whole chickens at lower prices. Purchases of U.S. poultry in 1970 should remain at the 1968 and 1969 levels.

Wheat imports were down in 1969 but will probably be up slightly in 1970 because of the apparent stabilization of the colony's wheat-product exports and the slowly rising per capita consumption of wheat.

The major proportion of the colony's *vegetable oil* needs are supplied by Mainland China in the form of rapeseed and peanut oil. The United States, which has been Hong Kong's primary supplier of soybean oil in the past, is re-establishing itself in this big market, largely through the barter program.

Consumption of U.S. *beef* was more than double that of 1968. The beef is consumed largely in the hotel and restaurant trade and so, more than most U.S. products, depends on tourism, although a growing amount of U.S. beef is being purchased at the retail level. Increased tourism and growing per capita income should continue to raise the consumption of red meat.

Condensed and evaporated *milk products*, largely supplied by the Netherlands, are the major dairy products imported into Hong Kong. Although imports of condensed and evaporated milk declined in 1969, Australia and Mainland China substantially increased sales of fresh milk because the colony lifted quotas on this product. Although not a major supplier, the United States increased its sales of milk products of all kinds in 1969—a trend which should continue.

Rising domestic demand in 1969 offset the 1968 losses in export markets for the colony's cigarette production. Imports of U.S. and U.K. cigarettes, which are sold mainly to white-collar workers, increased substantially in 1969. Increased sales of both U.S. leaf and cigarettes should continue into 1970.

U.S. processed and frozen foods should enjoy larger sales to Hong Kong in 1970 as a result of significant and continuing expansion in the domestic economy.

—Based on dispatch from EDWIN A. BAUER
Assistant U.S. Agricultural Officer, Hong Kong

*Sampan*s in Aberdeen section of Hong Kong.





Above, admiring the Angus calves born in Spain of cattle imported from the United States are (front row, r-l) Sr. Valenzuela, Generalissimo Franco, Sra. Franco; (second row, l-r) Princess Sofia and Prince Juan Carlos of Bourbon, and U.S. Ambassador Hill. Below, a Santa Gertrudis bull—one of the five breeds represented in the U.S. exhibit.

Lower right, Angus cattle on the Valenzuela Ochoa ranch, Jaén Province.



Olé for U.S. Cattle at Madrid's Eighth International Agricultural Fair

Twenty-seven head of U.S. cattle representing one dairy and four beef breeds, four Angus calves born of imported U.S. cattle, a conference on crossbreeding, and a lamb-feeding demonstration were just some of the features which attracted visitors to the U.S. pavilion at the Feria del Campo (festival of the fields) held in Madrid from May 20 through June 7.

The Fair, a biennial event in which the United States participated for the third time, was officially opened by Chief of State Francisco Franco, who then toured the exhibits, which included a large showing of Spanish livestock as well as animals from Mexico, Argentina, France, Switzerland, Holland, Austria, and Germany.

U.S. Ambassador Hill showed the modern U.S. pavilion to the official party that besides Generalissimo Franco included Prince Juan Carlos of Bourbon and a large group of Cabinet officers and top government officials.

Since Spain's current 4-year development plan puts top emphasis on building a modern beef and dairy cattle industry, the group was especially interested in four Angus calves born in Jaén Province, (southern Spain) on the ranch of Carlos and Francisco Valenzuela Ochoa of cattle imported from the United States last August. The calves were thriving and showed the adaptability of U.S. cattle to Spanish conditions. The Valenzuela Ochoas plan to use their imported animals for crossbreeding with Retinta and Berrenda breeds to improve the quality of the native animals.

One of the highlights of the U.S. exhibit was a conference held on crossbreeding—a subject which is gaining increasing prominence in Spain. Over 50 Spanish cattlemen heard U.S. experts Jim Wolf, a cattle breeder from Nebraska,

and Jim Hartman, chief of USDA's Foreign Livestock and Meat Products Division, discuss U.S. methods of crossbreeding and how these methods could be instrumental in improving Spain's livestock industry. An hour-long discussion period followed in which the Spanish cattlemen asked questions and received advice about their individual problems.

Another crowd-drawing event at the U.S. pavilion was a feeding demonstration of lambs conducted by the National Renderers Association. Emphasis was on the growth-propelling qualities of milk replacer, which includes tallow.

Speaking for Ambassador Hill on U.S. Day (May 26) at the Feria, Minister McAuliffe mentioned that the U.S. cattle industry was founded by the Spanish explorer Don Juan de Onato in 1598 when he brought 130 colonists and their 7,000 head of livestock into what is now the State of Texas. Since that time the U.S. cattle industry has prospered and the results could be seen in the stalls of the U.S. pavilion where five Santa Gertrudis, four Herefords, and six head each of Angus, Polled Hereford, and Holstein-Friesians were contentedly becoming acquainted with their new surroundings. All six of the Holstein-Friesians were sold to the Sanchez Gomez cattle farm, which had purchased U.S. animals exhibited at the 1968 Fair.

The U.S. exhibit was sponsored by the USDA in cooperation with the five cattle associations whose animals were shown: American Angus Association, American Hereford Association, American Polled Hereford Association, Holstein-Friesian Association of America, and Santa Gertrudis Breeders International. The U.S. Feed Grains Council and National Renderers Association also sponsored the event.



CROPS AND MARKETS SHORTS

Weekly Rotterdam Grain Price Report

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	June 9	Change from previous week	A year ago
	<i>Dol. per bu.</i>	<i>Cents per bu.</i>	<i>Dol. per bu.</i>
Wheat:			
Canadian No. 2 Manitoba	1.97	-4	1.94
USSR SKS-14	(¹)	(¹)	1.84
Australian Northern Hard	1.75	0	(¹)
U.S. No. 2 Dark Northern			
Spring:			
14 percent	1.87	-4	1.91
15 percent	1.95	-4	1.94
U.S. No. 2 Hard Winter:			
13.5 percent	1.87	+1	1.86
Argentina	(¹)	(¹)	(¹)
U.S. No. 2 Soft Red Winter	1.70	0	1.69
Feedgrains:			
U.S. No. 3 Yellow corn ...	1.66	0	1.49
Argentina Plate corn	(¹)	(¹)	1.57
U.S. No. 2 sorghum	1.43	0	1.24
Argentina-Granifero	(¹)	(¹)	1.23
Soybeans:			
U.S. No. 2 Yellow	3.19	+4	2.85

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

U.S. Tobacco Imports Up in April

Imports of unmanufactured tobacco for consumption during April 1970 were 19.1 million pounds, 2.0 million pounds

U.S. IMPORTS OF UNMANUFACTURED TOBACCO [for consumption]

Period and kind	1969		1970	
	Quantity	Value	Quantity	Value
	<i>1,000 pounds</i>	<i>1,000 dollars</i>	<i>1,000 pounds</i>	<i>1,000 dollars</i>
January-April:				
Cigarette leaf (flue & burley)	1,276	479	1,036	350
Cigarette leaf, other	46,191	31,458	46,518	31,220
Cigar wrapper	117	407	193	892
Mixed filler & wrapper	122	691	118	459
Cigar filler, unstemmed	794	620	899	826
Cigar filler, stemmed	775	1,017	1,026	1,356
Scrap	17,409	6,375	21,730	7,883
Stems	557	33	43	2
Total	67,241	41,080	71,563	42,988
April:				
Cigarette leaf (flue & burley)	516	116	9	3
Cigarette leaf, other	10,915	7,247	12,519	8,531
Cigar wrapper	8	24	62	378
Mixed filler & wrapper	10	53	15	92
Cigar filler, unstemmed	115	104	190	134
Cigar filler stemmed	162	210	291	397
Scrap	5,169	1,998	6,023	2,088
Stems	198	14	—	—
Total	17,093	9,766	19,109	11,623

Bureau of the Census.

above the same month a year earlier. Imports were valued at \$11.6 million compared with \$9.8 million in April 1969. The average price per pound for imports also rose to 60.8 cents from 57.1 cents in April a year ago. Most U.S. tobacco imports are oriental cigarette leaf and scrap tobacco. Imports of both increased in April.

Cumulative imports for consumption during the first 4 months of 1970 (Jan.-April) rose 6.4 percent to 71.6 million pounds from 67.2 million pounds during the same period last year. Import value increased to \$43.0 million from \$41.1 million during the same period. Nearly all of the increase in both quantity and value was in scrap tobacco.

Italian Almond Prospects Improve

The 1970 Italian almond crop is forecast at 37,000 short tons (kernel-weight basis) 61 percent above last year's small harvest. However, this still is below the 1963-67 average.

It now appears that carryover stocks will be minimal at the start of the 1970-71 season in September. Prices have been declining gradually, because brokers expect that the near-normal Italian crop and the predicted large American harvest will help to lower prices later in the season.

ITALY'S ALMOND SUPPLY AND DISTRIBUTION

Item	Average 1963-67	1967-68	1968-69	Revised 1969-70
	<i>1,000 short tons</i>	<i>1,000 short tons</i>	<i>1,000 short tons</i>	<i>1,000 short tons</i>
Beginning stocks (Sept. 1) ...	2.6	2.0	4.0	4.0
Production	41.4	43.0	46.0	23.0
Imports	0.2	0.3	0.3	1.0
Total supply	44.2	45.3	50.3	28.0
Exports	31.7	31.4	35.1	18.2
Domestic disappearance	9.1	9.9	11.2	9.8
Ending stocks (Aug. 31)	3.4	4.0	4.0	—
Total distribution	44.2	45.3	50.3	28.0

Large Turkish Filbert Crop

Estimates of Turkey's 1969 filbert crop remain unchanged at 165,000 short tons (in-shell basis), 20,000 tons above

TURKISH FILBERT SUPPLY AND DISTRIBUTION

Item	Average 1963-67	1967-68	1968-69 ¹	1969-70 ²
	<i>1,000 short tons</i>	<i>1,000 short tons</i>	<i>1,000 short tons</i>	<i>1,000 short tons</i>
Beginning stocks (Sept. 1) ...	37.0	80.0	2.0	—
Production	135.4	77.0	145.0	165.0
Total supply	172.4	157.0	147.0	165.0
Domestic disappearance	128.1	148.0	138.0	156.0
Exports	10.1	7.0	9.0	9.0
Ending stocks (Aug. 31)	34.2	2.0	—	—
Total distribution	172.4	157.0	147.0	165.0

¹ Revised. ² Preliminary.

last year. Exports during the first 7 months (Sept. 1969-Mar. 1970) of the current marketing season totaled 142,201 tons (in-shell basis). This compares to 108,620 tons during the same period last season. Total 1969-70 exports are expected to reach 156,000 tons.

Netherlands Prices of Fruits, Juices

The following quotations represent wholesale offering prices on a landed-weight basis with duties and levies paid, but excluding the value-added tax:

Type and quality	Size of can	Price per dozen units			Origin
		April 1969	Jan. 1970	May 1970	
		U.S. dol.	U.S. dol.	U.S. dol.	
CANNED FRUIT					
Apricot halves:					
Not specified	500 gr.	1.62	1.79	1.76	Spain
Cherries, sweet not pitted:					
Not specified	1 kg.	4.81	4.97	4.97	Italy
Cherries, R.S.P.:					
Water pack	10	—	22.28	22.04	U.S.
Fruit cocktail:					
Choice, heavy sirup	2½	5.27	5.04	4.97	U.S.
Choice, light sirup	2½	5.10	4.81	4.81	U.S.
Peaches, clingstone:					
Choice, heavy sirup	8 oz.	1.96	1.96	1.96	U.S.
Do	2½	4.11	4.24	4.24	S. Africa
Standard, light sirup	2½	3.58	3.78	3.78	S. Africa
Pineapple slices:					
Choice, heavy sirup	30 oz.	—	3.94	3.98	Taiwan
Choice, light sirup	2½	—	—	3.99	S. Africa
CANNED JUICES					
Grapefruit, unsweetened	1 qt. ¹	—	4.84	4.84	U.S.
Orange, unsweetened	1 qt. ¹	—	5.20	5.20	U.S.

¹ Packed in glass bottles.

U.S. Exports of Soybeans, Oils, Meals

U.S. exports of soybeans and soybean meal continued to move upward in April from March levels, but total exports of edible oils (soybean and cottonseed) declined substantially.

April soybean exports were 41.2 million bushels, up 5 percent from the March figure and 20 percent from April 1969 when movement was heavy following the termination of the U.S. dock strike. The September-April total of 300.1 million bushels exceeded exports through April last year by 81.5 million bushels. Of this total 56 percent was in direct shipments to the European Community (EC) and Japan. In addition, some of the 13.5-million-bushel expansion in exports designated for Canada probably moved on to the EC and Japan.

April soybean oil exports declined to 81.9 million pounds, 50 percent less than the unusually heavy volume in March and 20 percent less than in April 1969. However, during October-April soybean oil exports totaled 655.5 million pounds, 175.5 million more than in the comparable months last year. Moreover, the 7-month accumulation represented over three-fourths of all the soybean oil exported in the entire year 1968-69. Oil shipments to Pakistan under P.L. 480—at 201.9 million pounds—were more than double those of last year and the increase in the volume sent to that country represented almost two-thirds of the increase in total soybean oil exports. Program oil sent to India—at 86.8 million pounds—was down by over 50 percent from last year's volume.

Oil moving out under P.L. 480 programs represented only 67 percent of total soybean oil exports compared with 86 percent of the total in the same months last year. This was a reflection of increasing commercial exports.

Cottonseed oil exports in April—at 24.0 million pounds—were lower than exports in each of the 2 previous months but

U.S. EXPORTS OF SOYBEANS, OIL, AND MEAL

Item and country of destination	Unit	April		Sept.-Apr.	
		1969 ¹	1970 ¹	1968- 69 ¹	1969- 70 ¹
SOYBEANS					
Belgium-Luxembourg	Mil. bu.	1.0	1.6	9.0	14.6
France	do.	0	1.1	.2	2.9
Germany, West	do.	5.5	2.6	27.0	27.8
Italy	do.	1.8	1.9	14.9	20.8
Netherlands	do.	3.4	5.8	31.2	44.6
Total EC	do.	11.7	13.0	82.3	110.7
Japan	do.	8.0	8.5	48.1	65.4
Canada	do.	3.4	8.8	22.6	36.1
Spain	do.	4.9	4.6	23.8	29.3
China, Taiwan	do.	1.8	1.5	14.2	14.2
Denmark	do.	1.1	.5	10.7	13.2
United Kingdom	do.	.3	.4	3.7	7.0
Israel	do.	1.2	0	4.6	7.2
Others	do.	1.9	3.9	8.6	17.0
Total	do.	34.3	41.2	218.6	300.1
Oil equivalent	Mil. lb.	376.3	451.9	2,399.7	3,294.6
Meal equivalent	1,000 tons	805.3	967.2	5,136.0	7,051.3

		April		Oct.-Apr.	
		1969 ¹	1970 ¹	1968-69 ¹	1969-70 ¹

EDIBLE OILS

Soybean:					
Pakistan	Mil. lb.	0	9.2	89.6	201.9
India	do.	51.6	24.1	177.8	86.8
Tunisia	do.	6.1	6.8	24.9	63.8
Iran	do.	19.8	0	30.2	51.4
Peru	do.	.4	1.8	7.9	24.7
Israel	do.	1.2	.4	13.3	18.3
Canada	do.	2.0	4.6	15.4	22.4
Chile	do.	(³)	.9	14.4	15.5
Morocco	do.	0	6.6	24.6	21.1
Haiti	do.	2.0	2.1	11.9	12.1
Dominican Republic	do.	3.0	0	8.0	10.0
Mauritius	do.	0	0	0	8.8
Mexico	do.	(³)	5.2	.1	10.7
Colombia	do.	.2	.6	3.6	8.8
Others	do.	15.8	19.6	58.3	99.2
Total	do.	102.1	81.9	480.0	655.5

Cottonseed:					
Belgium-Luxembourg	do.	(³)	0	(³)	5.7
France	do.	0	0	(³)	(³)
Germany, West	do.	0	7.2	15.3	20.4
Italy	do.	0	0	(³)	(³)
Netherlands	do.	0	0	10.1	26.5
Total EC	do.	(³)	7.2	25.4	52.6
United Kingdom	do.	(³)	5.6	(³)	70.1
U.A.R.	do.	8.3	0	8.4	38.2
Iran	do.	0	0	0	37.7
Venezuela	do.	3.8	0	37.0	35.5
Mexico	do.	0	7.6	(³)	26.4
Pakistan	do.	0	0	0	17.8
Canada	do.	2.4	3.4	9.5	18.4
Sweden	do.	(³)	0	4.3	7.9
Morocco	do.	0	0	0	7.7
Dominican Republic	do.	0	0	(³)	6.4
Others	do.	.4	.2	2.1	14.3
Total	do.	14.9	24.0	86.7	333.0
Total Oils	do.	117.0	105.9	566.7	988.5

Item and country of destination	Unit	April		Oct.-Apr.	
		1969 ¹	1970 ¹	1968- 69 ¹	1969- 70 ¹
CAKES AND MEALS					
Soybean:					
Belgium-Luxembourg	1,000 tons	7.6	12.6	122.3	124.2
France	do.	72.3	60.7	287.1	367.4
Germany, West	do.	83.4	46.3	371.0	588.8
Italy	do.	44.7	20.8	145.7	192.8
Netherlands	do.	72.5	63.0	314.9	363.1
Total EC	do.	280.5	203.4	1,241.0	1,636.3
Canada	do.	21.9	22.7	147.1	153.5
Hungary	do.	0	30.8	0	97.4
Poland	do.	12.9	18.4	52.9	84.6
Yugoslavia	do.	49.5	48.7	89.2	104.3
Switzerland	do.	11.3	8.2	35.3	51.7
Ireland	do.	0	0	18.6	30.8
Bulgaria	do.	0	12.0	9.6	21.0
Denmark	do.	.4	0	17.4	29.0
Japan	do.	1.2	14.1	19.7	38.2
Philippines	do.	2.9	5.2	17.9	26.1
United Kingdom	do.	.2	5.4	19.3	25.4
Spain	do.	(⁴)	0	31.6	34.1
Others	do.	32.1	17.0	79.6	94.7
Total	do.	412.9	385.9	1,779.2	2,427.1
Cottonseed	do.	.1	1.2	2.0	5.3
Linseed	do.	.9	0	32.6	47.2
Total cakes and meals ⁵	do.	418.1	389.8	1,852.2	2,503.3

¹ Preliminary. ² Includes shipments under P.L. 480 as reported by Census. ³ Less than 50,000 lbs. ⁴ Less than 50 tons. ⁵ Includes peanut cake and meal and small quantities of other cakes and meals. Computed from rounded numbers. Bureau of the Census.

surpassed April 1969 exports by 9 million pounds. The cumulative total through April was 333 million pounds compared with only 86.7 million last year in the same period, reflecting continuing large sales of oil held by the Commodity Credit Corporation and increasing private sales. Exports to the United Kingdom, the largest single market this year, exceeded 70 million pounds compared with only 33,000 pounds sent there through April last year. Iran and Pakistan purchased 38 million and 18 million pounds, respectively, in contrast to no purchases in the first 7 months last year. The United Arab Republic purchased 38 million pounds against only 8 million in the same period of 1968-69.

The 385,900 tons of soybean meal that moved to foreign ports in April represented a gain of 24 percent from the March tonnage but a decline of 7 percent from the unusually heavy export volume in April 1969. The October-April cumulative total—at 2.4 million tons—exceeded the level of the same period last year by 648,000 tons, or by more than one-third. The EC accounted for over 60 percent of the gain; West Germany alone, one-third; and exports to all EC countries were above last year's levels. Eastern Europe has become an important market for U.S. soybean meal. Through April of this year exports to that area exceeded 307,000 tons—more than double last year's tonnage. Yugoslavia was the largest buyer.

April Livestock, Meat Trade Down

The value of livestock- and meat-product exports in April—at \$44.0 million—was down 9 percent from April 1969. This was a result, primarily, of lower pork shipments to Can-

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	April		January-April	
	1969	1970	1969	1970
Red meats:	1,000	1,000	1,000	1,000
Beef and veal:	pounds	pounds	pounds	pounds
Fresh, chilled, or frozen:				
Bone-in beef	1,919	2,919	6,288	9,888
Boneless beef	80,502	79,089	287,958	366,332
Cuts (prepared)	178	808	649	2,654
Veal	3,593	1,922	9,664	8,305
Canned beef:				
Corned	7,1193	4,861	26,457	32,509
Other, including sausage	1,802	1,633	4,653	8,600
Prepared and preserved	5,454	4,833	18,125	20,369
Total beef and veal ¹	100,642	96,063	353,793	468,659
Pork:				
Fresh, chilled, and frozen...	4,876	5,645	15,222	18,145
Canned:				
Hams and shoulders	24,030	23,436	77,232	86,068
Other	3,495	2,534	8,555	10,642
Cured:				
Hams and shoulders	89	220	350	538
Other	227	332	1,053	1,407
Sausage	207	285	820	1,189
Total pork ¹	32,926	32,450	103,228	118,001
Mutton and goat	3,988	4,781	14,515	21,369
Lamb	6,871	2,973	13,028	15,317
Other sausage	917	1,169	2,499	3,798
Other meats	1,492	1,638	3,931	6,922
Total red meats ¹	146,838	138,075	490,990	634,066
Variety meats	572	809	1,276	3,191
Meat extract	77	71	416	268
Wool (clean basis):				
Dutiable	10,697	7,663	35,033	36,030
Duty-free	11,326	4,688	26,946	22,962
Total wool ¹	22,022	12,352	61,978	58,993
Animal hair	868	310	2,819	943
Hides and skins:				
Cattle parts	6	45	6	181
Sheep skins pickled and split ..	1,029	1,640	3,425	4,463
	1,000	1,000	1,000	1,000
	pieces	pieces	pieces	pieces
Cattle	16	29	87	86
Calf and kip	77	38	218	197
Buffalo	56	25	163	70
Sheep and lamb	5,951	1,847	8,243	7,464
Goat and kid	682	192	1,695	2,119
Horse	28	19	79	60
Pig	63	68	236	410
Livestock:	Number	Number	Number	Number
Cattle ²	111,120	102,882	361,590	414,350
Sheep	56	181	1,590	1,469
Hogs	706	6,858	2,636	12,432
Horses, asses, mules, and burros	307	333	1,082	884

¹ May not add due to rounding. ² Includes cattle for breeding. U.S. Department of Commerce, Bureau of the Census.

ada and Japan. Pork exports totaled 3.3 million pounds compared with 9.8 million in the same month of 1969.

Despite the fact that inedible tallow and grease exports—at 182.5 million pounds—were down 17 percent from April 1969, the total for the first 4 months of 1970 was 9 percent above the same period last year.

Variety meat exports in April—at 22.2 million pounds—were down 18 percent from 1969; however, the total for the January-April period is almost equal to that of last year.



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Foreign Agriculture

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	April		January-April	
	1969	1970	1969	1970
	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>
Animal fats:	<i>pounds</i>	<i>pounds</i>	<i>pounds</i>	<i>pounds</i>
Lard	10,651	12,892	65,526	112,818
Tallow and greases:				
Inedible	220,042	182,539	641,778	701,040
Edible	2,036	2,725	4,544	7,422
Meats:				
Beef and veal	2,112	2,375	8,723	9,296
Pork	9,798	3,262	49,385	14,234
Lamb and mutton	147	71	700	312
Sausages	412	252	1,381	1,323
Meat specialties	476	347	1,243	1,285
Other canned	830	694	3,688	2,734
Total red meats ¹	13,776	6,995	65,121	29,184
Variety meats	26,946	22,204	66,049	66,525
Sausage casings (animal origin)	1,367	1,218	3,472	4,078
Animal hair, including mohair ...	3,582	1,643	4,969	4,185
	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>
Hides and skins:	<i>pieces</i>	<i>pieces</i>	<i>pieces</i>	<i>pieces</i>
Cattle parts	1,878	1,210	9,758	4,479
Cattle	1,299	1,181	4,217	5,363
Calf	176	107	475	330
Kip	54	28	156	91
Sheep and lamb	445	270	1,164	1,068
Horse	8	17	20	54
Goat and kid	85	5	108	96
Livestock:	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
Cattle and calves	3,548	2,478	13,009	11,568
Sheep, lambs, and goats	13,970	16,765	31,357	40,204
Hogs	1,945	1,947	6,965	6,273
Horses, asses, mules, and burros	436	30,479	3,053	32,482

¹ May not add due to rounding.

U.S. Department of Commerce, Bureau of the Census

The value of livestock- and meat-product imports totaled \$104.9 million in April, down 5.5 percent from the same month last year. Hides and skins imports, which accounted for most of the decline, totaled \$5.4 million, down from \$10.5 million in April 1969.

Total red meat imports—at 139.1 million pounds—were 5 percent below the 146.8 million pounds for April 1969. Reduced imports of lamb and canned corned beef accounted for most of the decline.

Lamb imports in April totaled 3.0 million pounds, 57 percent below the 6.9 million pounds for April 1969. Imports from Australia and New Zealand were down 35 and 70 percent, respectively, from the same month last year.

Canned corned beef imports in April totaled 4.9 million pounds, down 33 percent from the same month last year. This decrease was a result of reduced entries from Argentina and Brazil.

Live hog imports increased significantly in April. Entries totaled 6,858 head compared with only 5,574 head for the first 3 months of this year. Canada supplies virtually all U.S. live hog imports.

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